

## **Idaho Public Utilities Commission**

Case No. IPC-E-13-02, Order No. 32754

March 15, 2013

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### **Idaho Power seeks extension of Simplot power sales contract**

Idaho Power Company is seeking to extend a power sales agreement with a cogeneration facility at J.R. Simplot's fertilizer plant near Pocatello. The Idaho Public Utilities Commission is taking comments on the request through March 21.

The power facility generates 10 average megawatts of energy for Idaho Power's customers. The previous sales agreement expired March 1. Idaho Power's application would grant interim approval of a sales agreement while a permanent application is reviewed.

The interim contract is for two years at the commission's published avoided-cost rates for projects 10 average megawatts or smaller. The small-power facility falls under the provisions of PURPA. The Public Utility Regulatory Policies Act was passed by Congress in 1978 to encourage the development of renewable energy technologies as alternatives to burning fossil fuels or the construction of new power plants. PURPA requires that electric utilities offer to buy power produced from qualifying small power producers or cogenerators. (Cogenerators produce power as a byproduct of their manufacturing process.)

The rate to be paid small-power developers is to be equal to the cost the utility avoids if it would have had to generate the power itself or purchase it from another source. The commission must ensure the avoided-cost rate is reasonable for utility customers because 100 percent of the price utilities pay to qualifying producers is included in customer rates.

The proposed contract is non-levelized, which means the price escalates annually to more accurately reflect the actual value of the energy generated. The avoided-cost rate is \$52.28 per megawatt-hour in 2013, \$52.49 in 2014 and \$55.91 in 2015. The rate is adjusted for light-load and heavy-load hours as well as for light-load and heavy-load seasons.

The commission plans to handle this request in a modified procedure that uses written comments rather than conducting a hearing, unless customer comments can demonstrate a need for a public hearing. Comments are accepted through March 21 via e-mail by accessing the commission's homepage at [www.puc.idaho.gov](http://www.puc.idaho.gov) and clicking on "Comments & Questions About a Case." Fill in the case number (IPC-E-13-02) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

A full text of the commission's order, along with other documents related to this case, is available on the commission's Web site. Click on "File Room" and then on "Electric Cases" and scroll down to the above case number.